

Claim 7 (Amended). [An article of manufacture,] A new and useful process, used to create a physical document, in the form of a fraction of the title to (or equivalently, a fraction of a deed of trust to) the land and dwelling of individual single-family homes, acquired by a business entity for the purpose of protecting the individual single-family home's equity against loss upon eventual sale, created using the following equations identified in the Specification, wherein;

$\$HPV$ (defined as HAVEN premium value) = $\$SP - \$PP - CI\% * \$PP$ where

$\$SP$ = home sale price after ownership period

$\$PP$ = home purchase price

$CI\%$ = compound appreciation of area real estate index = $(1 + I\%)^T$ (after T years).

The HAVEN return of value ($\$HR$) equation can be written as follows;

$\$HR = \$HYP * T * F\%$ where

$\$HYP$ = total yearly payments

T = years of payments

$F\%$ = fractional premium return rate (function of time and appreciation trend)

The factor $F\%$ determining the amount of premium return can take on several values;

For $\$HPV > 0$ (price appreciation above the average trend line), $F\%$ can be a function of several variables, is set by agreement of the buyer, but always ranges between 0 and 1. Usually $F\%$ would be $= 0$ in this case since the owner did better than average appreciation. Figure 4 area labeled "A" shows this case.

For $\$HPV = 0$, then $F\% = 0$ and $\$HR = 0$ (price appreciation was average).

For $\$HPV < 0$, then $F\%$ ranges linearly from 0, when appreciation was average, to 1 when there was no appreciation, and there is some premium return ($\$HR > 0$).

Figure 4 area labeled "B" shows this case.

The final case is when the homeowner shows a loss on the sale of the home; that is, when $(\$SP - \$PP) < 0$, then the return $\$HR = (\$PP - \$SP)$ which guarantees that the homeowner suffers no loss of principle on the sale. Another option is to collect the premium in a lump sum, but this usually will increase the mortgage value (if the owner can't come up with the extra money), upon which the homeowner is paying interest charges.

Claims 8 - 12 (No changes).

This Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

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